

**USWA-JA-3**

## **Key Messages: Customer Contact Centers**

*Important information about the transformation of customer-facing functions.*

For quite some time, the NiSource companies have been taking steps to improve the effectiveness and efficiency of our customer contact center operations.

During recent years, we have successfully consolidated call centers both within the states we operate as well as across several of those states. For example: Our Smithfield, Pa., customer contact center currently handles all our retail customer calls for Columbia Gas of Virginia, Columbia Gas of Maryland, and Columbia Gas of Pennsylvania; as well as about half of the customer calls for Columbia Gas of Ohio.

These consolidations have helped us improve efficiency, better manage fluctuations in call volumes and enhance customer service and responsiveness.

As part of its business process outsourcing transformation effort, NiSource studied a range of options involving its customer call center functions. One strong criteria in this analysis was the company's decision that any customer-facing activities (those involving direct interaction with our retail customers) will not be sent to an offshore location.

### **Consolidating the Columbia Retail Customer Contact Centers**

Based on its review, NiSource has decided to consolidate its three remaining Columbia Gas retail customer contact centers at one location. The centers will be combined into our existing customer contact center in Smithfield, Pa. Smithfield, already one of our strongest performing centers, will become a model of state-of-the-art technology and work processes, serving customers across the Columbia LDC footprint.

To help carry out this consolidation and provide long-term process and technology enhancements for its call center functions, NiSource also has entered into a business process outsourcing agreement with IBM to lead the consolidation and transformation of the contact centers. IBM, in turn, will be partnering with Vertex, an international leader in customer contact center technology and processes, to direct day-to-day operations at the Smithfield center.

Under our arrangement with IBM, all of the current Columbia customer service representatives at Smithfield have been offered comparable jobs with Vertex. Those employees will be learning more about IBM and Vertex in meetings during the coming days.

This change will result in the eventual closing of the two other current Columbia customer contact centers at Lexington, Ky., and Marble Cliff, Ohio. Our plan calls for all Columbia Gas of Ohio center to be consolidated at Smithfield by September of this year. The Columbia Gas of Kentucky center will be consolidated at Smithfield by the end of this year. Employees at each of those centers were notified of this plan today, and are being provided information about severance benefits and outplacement assistance NiSource is offering.

## **Benefits to Our Customers**

Our partnership with IBM and Vertex will enable us to provide important long-term benefits to our customers:

- Access to significant new contact center technology and work flow process enhancements, many of which have been pioneered by IBM and Vertex.
- Improved and streamlined access to information from our customer service information systems.
- Improved Web, IVR and other new tools for our customers.
- Continued stability and experience in contact center staff
- Reduced turnover and re-training time
- A commitment to meet or exceed customer service standards for all of our operating companies and regulatory jurisdictions.
- The immediate changes will be transparent to customers: same phone numbers, etc.

## **Regarding the Bay State/Northern Utilities Customer Contact Center**

NiSource has received a proposal from IBM to consolidate work from our New England customer contact center (at Springfield, Mass.) into our Smithfield, Pa., customer contact center. This change would allow New England customers to receive the benefits of technology and process enhancements available at our Smithfield center.

We have contacted the union representing workers at our Massachusetts contact center and invited them to engage in negotiations regarding IBM's proposal. At this point, it would be improper to speculate on the potential outcome of any discussions. As always, we reserve the right to make improvements to our operations in the future.

## **Regarding the NIPSCO Gas and Electric Customer Contact Center**

The NIPSCO customer contact center in Merrillville, Indiana, is somewhat different from our other centers in that it handles both natural gas and electric customer calls. At this point, no consolidations are taking place involving the Merrillville center. However, we will continue to consider options regarding the center, and the company may pursue consolidation of this center or other efficiencies in the future.

We have received a proposal from IBM that would affect some clerical bargaining unit positions in Merrillville that are not part of the customer contact center. These changes would be the result of enhanced automation, centralization and work-flow improvements.

We have contacted the union representing the clerical workers at Merrillville and invited them to engage in negotiations regarding IBM's proposal. At this point, it would be improper to speculate on the potential outcome of any discussions. As always, we reserve the right to make improvements to our operations in the future.